

## STATE-ONLY HIGH-RISK POOL\*\*

A high-risk pool is, typically, a state-created, nonprofit association that offers comprehensive health insurance benefits to individuals with pre-existing health problems: people who have been denied coverage in the private market due to a chronic illness or condition; who have found they can only access restricted coverage; or have found coverage that costs more than what is available from the pool. Funding for the pool is subsidized through assessments on insurers or through government revenues.

<u>State</u>	<u>Name of Program</u>	<u>Year Operational</u>	<u>Premium Cap*</u>	<u>Finance Mechanism</u>
<b>Alabama</b>	Alabama Health Plan	1998	200%	Member premiums and assessments to the insurance industry based premium volume in the state. Insurance carriers will be provided an offset of the assessments against any premium taxes they pay to the state.
<b>Alaska</b>	Alaska Comprehensive Health Insurance Association	1993	200%	Subscriber premiums and assessments to association members in proportion to the percentage of total health insurance premiums each member writes in the state.
<b>Arkansas</b>	Arkansas Comprehensive Health Insurance Plan	1996	150%	All insurers, as a condition of doing business in the state, shall be members of the pool and will be assessed at a rate to be determined by the board.
<b>California</b>	California Major Medical Insurance Program	1991	125% of the "standard average individual rate," unless a plan exceeding the average cost to the state is selected, in which case the premiums are 137.5%	Major Risk Medical Insurance Fund in the California State Treasury. The fund is comprised of cigarette and tobacco tax revenues.
<b>Colorado</b>	Colorado Uninsurable Health Insurance Plan	1991	150%	Business Association Unclaimed Property Fund; Unclaimed insurance funds.
<b>Connecticut</b>	Connecticut Health Reinsurance Association	1976	125% at initial enrollment; 150% maximum	Association members are assessed for plan losses.

<b>Florida</b>	Florida Comprehensive Health Association	1983 - State CHA; 1989 - FL CHA	200% maximum for low-risk; 225% maximum for medium-risk; 250% maximum for high-risk. Each insured's risk class is determined by his/her medical condition, history, and anticipated claims costs.	Policy holder premiums; Assessments for operating losses paid by insurers, HMOS, MEWAs, and prepaid health clinics; Association members are assessed for plan operating losses based on their market share of health insurance premium volume in the state during that year.
<b>Idaho</b>	Idaho Individual High Risk Reinsurance Pool	2001	(Available soon)	Assessment to insurers; General Revenue.
<b>Illinois</b>	Illinois Comprehensive Insurance Plan	1989	125 - 150%	Partially paid premiums from participants Assessment levied on all health insurers General Revenue (appropriation made by the General Assembly)
<b>Indiana</b>	Indiana Comprehensive Health Insurance Association	1982	150%	Association members are assessed for net losses in proportion to their share of total health insurance premiums earned in the state during the year. Assessments are offset against income or premium taxes in the year of assessment or following years. Insurers may also include an amount to recoup assessments in premium rates.
<b>Iowa</b>	Iowa Comprehensive Health Association	1987	150%	Association members are assessed for losses in excess of those covered through premiums and the Health Insurance Trust Fund. Assessments are allowed as offset against premium taxes or other forms of taxes payable to the state. These offsets are granted at the rate of 20% per year over a five-year period.
<b>Kansas</b>	Kansas Uninsurable Health Insurance Plan	1993	Rates shall be "reasonable" in terms of the benefits provided, the risk experience, and expenses of providing the coverage.	Premium rates are to be nearly self-sustaining. Insurers may be assessed to recoup net losses. 80% of such assessments may be offset against premium taxes.

<b>Kentucky</b>	Kentucky Access	(Now being organized)	--	--
<b>Louisiana</b>	Louisiana Health Insurance Association	1992	Not less than 150% at initial enrollment; 200% maximum	General Revenue; Each patient admitted to a hospital for treatment other than psychiatric care or alcohol or substance abuse, shall be assessed a service charge. If the insurance arrangement does not pay the service charge, it may be collected from the patient.
<b>Minnesota</b>	Minnesota Comprehensive Health Association	1976	125% of weighted average of rates charged by a majority of the insurers and HMOs offering similar coverage.	Health insurers are assessed for net losses in proportion to share of total health insurance premium received in the state during the year. Each assessment is based on the ratio of the contributing member's total amount of accident and health insurance premium received from or on behalf of Minnesota residents, divided by the total cost of accident and health insurance premium received by all association contributing members from or on behalf of Minnesota residents, as determined by the commissioner of commerce for the state of Minnesota. The 1997 legislature appropriated \$15 million per year for the next two years to offset MCHA's losses. The funding will come from the State "Health Care Access Fund" which is funded by a 1.5% tax on hospital and provider charges in the state. Because self-insured employers must pay the 1.5% tax, they will now indirectly contribute to MCHA funding.
<b>Mississippi</b>	Mississippi Comprehensive Health Insurance Risk Pool Association	1992	150% at initial enrollment; 175% maximum	Assessment to insurers

<b>Missouri</b>	Missouri Health Insurance Pool	1991	Not less than 150% at initial enrollment; 200% maximum	Insurers conducting health insurance business within the state will be assessed for losses of the plan according to the volume of business conducted within the state. These assessments will be offset through a tax credit against premium taxes paid.
<b>Montana</b>	Montana Comprehensive Health Association	1987	Not less than 150% at initial enrollment; 400% maximum. Not to exceed 200% of average of top five insurers of individual plans. Board has set MCHA rates at 150% of average of top five insurers of individual plans.	Licensed carriers are assessed for net losses in proportion to share of total health insurance premiums received in the state during the year. Assessments are offset against premium taxes in the year of assessment.
<b>Nebraska</b>	Nebraska Comprehensive Health Insurance Pool	1986	135% of rates established as applicable for individual risks	Association members are assessed for net losses in proportion to share of total health insurance premiums received in the state during the year. Assessments are offset against premium taxes in year of assessment or following years.
<b>New Mexico</b>	New Mexico Comprehensive Health Insurance Pool	1988	150%	The proportion of participation of each member in the pool shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed with the member. Any deficit incurred by the pool shall be recouped by assessments apportioned among the members of the pool pursuant to the assessment formula, provided the assessment for any pool member shall be allowed as a 30% credit on the premium tax return for that member.
<b>Oklahoma</b>	Oklahoma Health Insurance High Risk Pool	1996	125%	Association members are assessed for net losses in proportion to their share of the total health insurance premiums received in the state during the year. Assessments are offset against premium taxes in the year of assessment or following years

<b>Oregon</b>	Oregon Medical Insurance Pool	1990	125%	Insured premiums; Assessment of reinsurers and insurers; Expenditure limitation
<b>South Carolina</b>	South Carolina Health Insurance Pool	1990	200%; however, if the tax credit exceeds \$5 million in any one year, premiums must be raised above the 200% cap if necessary to assure that the tax credit will not exceed \$5 million in the following year.	Insurer members are assessed for net losses in proportion to share of total health insurance premiums written in the state during the preceding calendar year. Assessments are offset against premium or income taxes in year of assessment of following years. If the offset exceeds \$5 million in any one year, premiums of the plan must be raised to assure that the offset does not exceed \$5 million in the following year.
<b>Tennessee</b>	TCHIP TennCare	1987 1994	Graduated premium scale based on income	Financed by pooling current federal, state, and local expenditures for indigent health care.
<b>Texas</b>	Texas Health Insurance Risk Pool	1998	First year premium cap of between 125% and 150% of standard rate for comparable individual health insurance and 200% of standard rate for renewal years. The first year's rate was set at 137.5% of the standard rate.	Regular and interim assessments on insurers and HMOs, based on percentage of health premium written in Texas by each health insurer/HMO.
<b>Utah</b>	Utah Comprehensive Health Insurance Pool	1991	Utah Senate Bill 60 of 1997 requires an adjustment to the pool premium rate each July 1st. The increase is based on the average increase of the small employer rates for the five largest insurance companies that provide health plans to small employers.	State Comprehensive Health Insurance Pool Enterprise Fund; Legislature appropriations.

<b>Washington</b>	Washington State Health Insurance Pool	1988	150%	Association members are assessed for net losses in proportion to share of total health insurance premiums received in the state during the year. Assessments are offset against premium taxes in year of assessment or following years.
<b>Wisconsin</b>	Wisconsin Health Insurance Risk Sharing Plan	1981	200% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage deductible.	Association members are assessed for net losses in proportion to share of total health insurance premiums received in the state during the year; Legislature appropriations.
<b>Wyoming</b>	Wyoming Health Insurance Pool	1991	125% minimum to a 150% maximum of the standard market rate	Association members are assessed for plan losses based on their share of health insurance premium volume in the state. Also to be assessed are any self-insurers not governed by ERISA law. The state will grant a credit against any premium tax owed to the state toward the assessment paid. However, the total credit allowed by all members cannot exceed \$1,625,000 in any one year.

\*\* State Coverage Initiatives (2001). State-Only Coverage High-Risk Pool. State Coverage Initiatives. [On-Lone]. Available HTTP: <http://www.statecoverage.net/highrisk.htm> [2001, April 19]